

BEFORE THE  
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION  
WASHINGTON, D. C.

ORDER NO. 718

IN THE MATTER OF:

Served July 3, 1967

Application of D. C. Transit     )  
System, Inc., for Authority to    )  
Divest Itself of Its Trinidad     )  
Garage.                             )

D. C. Transit System, Inc., ("Transit"), on April 18, 1967, asked this Commission for permission to remove from service certain properties of the company no longer used or useful in the mass transit operation. This request was made in accordance with Commission Regulation 61-01 which states that it shall be unlawful, without the prior approval of the Commission, for a carrier to remove from service any real property used and useful in the performance of services such as are subject to the jurisdiction of the Commission.

This Commission is in the process of determining whether or not the removal of such properties is in the public interest.

On June 29, 1967, Transit advised the Commission that it was in a position to make an immediate sale of its Trinidad Garage, located at 15th and H Streets, N. E. The prospective purchaser is in no way connected with Transit or with any of Transit's affiliates; the selling price is to be approximately five hundred thousand dollars (\$500,000), all cash. The advisory from Transit to this Commission states that Transit would utilize these proceeds to directly reduce outstanding indebtedness of Transit.

The Commission has conducted studies involving the phasing out of the Trinidad Garage ever since March, 1966,

when Transit requested authority to consolidate the operations of the Trinidad Garage with a new division to be established at its Bladensburg Base. On March 7, 1966, the Commission had asked the National Capital Transportation Agency, in accordance with the provisions of D. C. Code, Section 1-1406 (b)(1), if that Agency contemplated the possible use of the Trinidad Garage in its Transit Development Program. A negative response was received from that Agency on March 14, 1966.

The Trinidad Garage today is fully depreciated on the books of Transit, and the land on which it stands is carried at its original cost of \$40,730.28. The garage building is presently boarded up, is in a deteriorated condition on the inside, and has not been used in any way for the past several months.

The Commission has also considered the possibility of someday re-utilizing the site of the Trinidad Garage as a small operating division for future transit needs; it is the Commission's opinion that the location of Trinidad, lying between the Bladensburg Base and the Eastern Garage, precludes its advantageous use for such a purpose.

The Commission is of the opinion that Transit's plan to sell subject property presents a fortunate opportunity to substantially improve the working capital condition of this carrier and also increase the invested equity of Transit's stockholder, without affecting the ability of Transit to continue to render proper and adequate service to the public. It is also noted that sale of this property will return it to the tax rolls of the District of Columbia. The Commission finds that the sale of subject property is in the public interest and should be permitted.

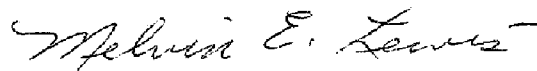
**THEREFORE, IT IS ORDERED:**

1. That the request of D. C. Transit System, Inc., for permission to divest itself of, and sell, its Trinidad Garage be, and it is hereby, approved; provided, however, that D. C. Transit System, Inc., must utilize all of the proceeds of the contemplated sale toward the liquidation of its indebtedness to banks and other creditors, exclusive of creditors affiliated with Transit.

2. That Transit shall notify the Commission, in writing, of the closing of the sale within 48 hours thereof; and further, that disbursement of the proceeds of said sale shall be made within five (5) days after said closing, and a report of the disbursements shall be made to the Commission within seven (7) days of said closing.

3. That Transit shall record the financial transactions pertaining to the removal from service and sale of the Trinidad Garage in accordance with the accounting treatment specified in Commission Regulation 61-04.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in cursive script, reading "Melvin E. Lewis".

MELVIN E. LEWIS  
Executive Director